

[24 April, 2001]

RAJYA SABHA

Proposed cut in Oil Production by OPEC

4237. SHRI P. PRABHAKAR REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Organisation of Petroleum Exporting Countries (OPEC) has decided to resort to a cut in oil production;

(b) if so, the reaction of Government thereto;

(c) whether the move will have an adverse impact on India's Oil Pool deficit; and

(d) if so, the steps proposed to be taken to meet the situation?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) Yes, Sir. Organisation of Petroleum Exporting Countries (OPEC) at their meeting held in Vienna on 17.3.2001 decided to implement cut in their crude oil production (excluding Iraq) by 1 million barrel per day with effect from 1st April, 2001.

(b) and (c) The cut in crude oil production by OPEC has resulted in upward movement of crude oil prices in the international market. An upward movement of crude oil prices in the international market leads to increase in the import bill and the cost of sourcing of petroleum products by the oil marketing companies.

(d) Government continuously monitor the development in the international market so as to make suitable adjustment in domestic prices.